



亞洲金融  
ASIA FINANCIAL

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## **Asia Financial Announces 2019 Results**

**Asia Financial Holdings Limited** (“Asia Financial”) announces the results for the year ended 31 December 2019. Mr. Bernard Chan, President of Asia Financial, said, “**Asia Financial achieved net profit attributable to shareholders of HK\$409.0 million in 2019, a 59.8% increase on the HK\$255.9 million reported in 2018.** This healthy result reflects realised and unrealised year-on-year increases in the value of portfolio investments, continued firm underwriting profit and good performance by some joint ventures and associates.”

“Wholly-owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$190.7 million, down 26.7%** on the previous year. This was largely the year-on-year effect of a one-off exceptional gain in 2018. Turnover grew by 14.7%, while underwriting profit fell slightly by 3.8%.”

“For a second consecutive year, Asia Insurance achieved a record turnover. The increase in premiums was balanced across business classes and is very satisfactory in view of the competitive market. This reflects successful development of new business, expansion and diversification of distribution channels, and Asia Insurance’s achievement in maintaining loyalty among its clients.

The small fall in underwriting profit is mainly due to reinsurance exposure to catastrophe losses in Japan, and savings booked in the previous reporting period. Underlying underwriting profit remains strong, reflecting the company’s strength in attracting and developing high-quality business and maintaining prudent balances between levels of reinsurance and direct insurance business and among geographical regions.”

Mr. Chan continued to say, “Soon after receiving a licence in early October, Asia Insurance launched Avo – Hong Kong’s first virtual general insurer. Avo is 51% owned by Asia Insurance and 49% by HH AINS Holdings Limited. This new operation is an

online digital distribution channel that takes a new customer-centric approach to insurance. Using a technologically sophisticated end-to-end platform, it enables innovative, relevant and affordable products to be made directly available to a currently under-served, especially younger, client base. This approach has the potential to increase our customer reach while minimizing operational costs. We see Avo as a significant step in the long-term development of our insurance business.”

“Joint ventures and associates in the insurance segment performed broadly in line with overall market conditions. BC Reinsurance Limited and Hong Kong Life Insurance Limited saw increases in profit. The People’s Insurance Company of China (Hong Kong) Limited reported a loss during the year owing to poor underwriting results, while Professional Liability Underwriting Services Limited reported stable performance.”

Mr. Chan added, “Our 3.6% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok remains a very sound investment, despite growing competition in the market. This reflects Bumrungrad’s continuing success in attracting patients internationally through the delivery of high-quality and good-value medical services.”

“The Group’s holding in Bank Consortium Holding Limited (“BCH”), one of our joint ventures, enjoyed a satisfactory increase in profit in 2019. Bank Consortium Trust Company Limited (“BCT”), a wholly owned subsidiary of BCH, remains one of the major providers of Mandatory Provident Fund services in Hong Kong.”

Mr. Chan raised, “The Group’s interests in real estate are focused on Shanghai and represent 3.1% of our total assets. The main project is a residential and commercial complex in Jiading, in which we have a 27.5% stake.”

“Profits from sales of the first stage of Phase 3 of the project were booked during 2019. Pricing was firm, and profits made a significant contribution to the Group for the year. Sales of the second stage of Phase 3 began in October. Overall prospects are good, although the coronavirus outbreak disrupted construction and sales since January 2020.”

Looking ahead, Mr. Chan said, “We recognize that the outlook for business and the markets may be more subdued in the years to come. The world has been through a period of exceptionally loose monetary policy in the last 10 years ago, global debt is at record levels and China and some other economies face continuing structural change. Trade friction continues to threaten US-China ties, and Hong Kong may face more civil unrest.”

“We will therefore remain flexible. As I have repeatedly told shareholders over the years, Asia Financial’s goal is to achieve long-term growth in value. Our strategy focuses on prudent management of our cash and direct and indirect investments, while remaining alert to possible new investment opportunities over time. This approach has proved itself in the long run, and it will continue.”

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